

DATE: March 21, 2019

TO: Chair Helm, Vice-Chairs Reschke, Vice-Chair Schouten, Members of the House Committee on Energy and Environment

FROM: Mike Eliason, Interim Executive Director, Association of Oregon Counties

RE: House Bill 2007

Chair Helm, Vice-Chairs Reschke and Schouten, Members of the House Committee on Energy and Environment,

The Oregon Association of County Engineers and Surveyors (OACES), a subsidiary of the Association of Oregon Counties (AOC), represents county public works agencies and road departments across the state and provides a forum to share best practices and overcome challenges. County roads are a critical component of Oregon's integrated road system and are responsible for the largest share of Oregon's road system, with 26,670 miles under county jurisdiction (39%). The county road system also includes 3,421 bridges and approximately 26,000 culverts.

We are certainly sympathetic to the position of the Portland-metro area, which appears to be that Oregon should work to eliminate any and all older diesel equipment as soon as possible. In an urban environment such as Portland, with its dense population, concentration of railroad yards close to housing developments, and significant vulnerable populations being exposed to poor air quality, that probably makes good sense.

That said, most of Oregon combines a lack of significant air quality issues with an economy that lags far behind the Portland-area. To force remote parts of rural Oregon to absorb the same timeline and regulations as the metro area is both unfair and extremely cost-prohibitive.

Two sections of the bill that AOC and OACES would like to address are Section 3, which calls for a 2029 full phase-out of pre-2010 model year engines and Section 8, which applies Clean Diesel Contracting Regulations to local government projects over \$20 million. Section 3 would have a massive cost impact on most county road departments around the state. Lack of funds, short construction seasons and a lack of significant air quality concerns all lend to counties utilizing their older diesel on-road fleets for 30, 40 sometimes 50 years. The replacement cost of dump trucks alone run about \$200,000. They are used seasonally and fairly sparingly. As for Section 8, our understanding is that section is intended to apply only to state agency contracts and not local government contracts. If so, we will withdraw our opposition to that section.

Road maintenance relies on both on-road and off-road diesel vehicles given the weight and condition of the materials being used. Road departments often choose diesel equipment because their long life-span and availability make them a cost-efficient option. Many required vehicles

can last the upwards of 30 years with proper maintenance, and don't accumulate a high number of miles but serve a critical purpose.

Road Officials are not opposed to replacing equipment with cleaner, more efficient models, however, it is simply not an option for most departments at this time. Small, rural road departments will be disproportionately affected by HB 2007 as their fleets are often older than their urban counterparts. Budget restrictions make new models unaffordable for small departments who typically buy older, used vehicles to manage costs. A good example is Hood River County who estimates a cost of \$3.6 million to replace their Road Department's on-road fleet to comply with the deadlines outlined in HB 2007, at least as it is currently written. Hood River County is currently so destitute they had to close several county parks earlier this year due to the lack of county general funds.

Small road departments are often located in rural areas with a high number of road miles and relatively low traffic volumes, unlike the Portland metro area where diesel emissions are concentrated. HB 2007 could have devastating consequences for rural areas where the impacts will be the smallest. We have no objection with targeting all of the Volkswagen Settlement dollars toward the Portland-metro area, we just ask that any mandates and regulations also remain targeted there.

We ask that you take into consideration the needs of rural Oregon by working with AOC and OACES to focus HB 2007 to the areas where diesel emissions have the most impact. In its current form, HB 2007 has significant consequences for small road departments across Oregon. We are willing to work with you to help find a solution that can further the goals of road departments from all areas of the state.

Thank you for the opportunity to provide comment on HB 2007.